

(Published in the *Wichita Eagle* on December 12, 2014)

ORDINANCE NO. 49-890

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS, TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE INSTALLATION OF IMPROVEMENTS TO CERTAIN EXISTING AVIATION MANUFACTURING AND FLIGHT TESTING FACILITIES AND THE ACQUISITION OF CERTAIN MACHINERY AND EQUIPMENT FOR SUCH FACILITIES LOCATED IN THE CITY OF WICHITA, KANSAS; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Wichita, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, purchase, construct, install and equip certain improvements and additions (as defined in the Act) for commercial, industrial and manufacturing purposes, and to enter into leases and lease-purchase agreements with any persons, firm or corporation for said facilities, and to issue revenue bonds for the purpose of paying the cost of any such facilities and to refund such revenue bonds previously issued; and

WHEREAS, pursuant to the Act, the Issuer's Governing Body has heretofore: (1) expressed its intent to issue Taxable Industrial Revenue Bonds (Learjet Inc.), in the original aggregate principal amount not to exceed \$86,000,000, pursuant to a Letter of Intent dated September 10, 1996; (2) expressed its intent to issue Taxable Industrial Revenue Bonds (Learjet Inc.), in the original aggregate principal amount not to exceed an additional \$79,188,000, pursuant to a Letter of Intent dated November 16, 2007; and (3) expressed its intent to issue Taxable Industrial Revenue Bonds (Learjet Inc.) in the original aggregate principal amount not to exceed \$52,700,000 dated June 3, 2014 (collectively, the "Letter of Intent"); all for the purpose of paying the cost of constructing, installing and equipping an expansion and improvements to existing aviation manufacturing and flight testing facilities (the "Project"); and

WHEREAS, pursuant to various ordinances of the Issuer, the Issuer has heretofore authorized the issuance of twenty-five series of such taxable industrial revenue bonds, in the original aggregate principal amount of \$138,087,712.86 (the "Outstanding Bonds"), for the purpose of constructing, equipping and installing portions of the Project; and

WHEREAS, in connection with the issuance of the Outstanding Bonds, the Issuer has heretofore authorized (i) the execution and delivery of a Trust Indenture dated as of December 1, 1996, as supplemented and amended from time to time in accordance with the provisions thereof and together with the herein authorized and defined Twenty-Sixth Supplemental Indenture (collectively, the "Indenture") with The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri (as successor to INTRUST Bank, N.A., Wichita, Kansas), as trustee (the "Trustee"), for the purpose of issuing and securing the Outstanding Bonds and any Additional Bonds (as defined therein), and (ii) the execution and delivery of a Lease Agreement dated as of December 1, 1996, as supplemented and amended from time to time in accordance with the provisions thereof and together with the herein authorized and defined Twenty-Sixth Supplemental Lease (collectively, the "Lease"), by and between the Issuer, as lessor, and

Learjet Inc., a Kansas corporation (the "Tenant"), as lessee, under which the proceeds of the Outstanding Bonds were used to pay a portion of the costs of the Project; and

WHEREAS, the Issuer has heretofore and does hereby find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue a twenty-sixth series of its taxable industrial revenue bonds to be designated "City of Wichita, Kansas, Taxable Industrial Revenue Bonds, Series VI, 2014 (Learjet Inc.)" (the "Series VI, 2014 Bonds") in the aggregate principal amount of not to exceed \$9,520,054.36, for the purpose of installing the improvements to certain existing aviation manufacturing and flight testing facilities, as well as to acquire certain machinery and equipment for the Project (the "Series VI, 2014 Additions"); and

WHEREAS, the Series VI, 2014 Bonds are more fully described in the Twenty-Sixth Supplemental Indenture and the Twenty-Sixth Supplemental Lease hereinafter authorized; and

WHEREAS, the Series VI, 2014 Bonds and the interest thereon shall not constitute an indebtedness of the Issuer within the meaning of any constitutional provision or statutory limitation, shall not constitute nor give rise to a pecuniary liability of the Issuer, nor shall any Series VI, 2014 Bond or the interest thereon be a charge against the general credit or taxing powers of the Issuer; and

WHEREAS, the Series VI, 2014 Bonds are not general obligations of the Issuer and are payable solely from certain fees, rentals, revenues and other amounts derived by the Issuer pursuant to the Lease, as the same may be further amended and supplemented and, under certain circumstances, from the proceeds of the Series VI, 2014 Bonds and insurance and condemnation awards; and

WHEREAS, the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of the Series VI, 2014 Bonds (i) to execute and deliver a Twenty-Sixth Supplemental Trust Indenture (the "Twenty-Sixth Supplemental Indenture"), for the purpose of issuing and securing the Series VI, 2014 Bonds as provided therein; and (ii) to enter into a Twenty-Sixth Supplemental Lease (the "Twenty-Sixth Supplemental Lease"), pursuant to which the Issuer shall cause the Series VI, 2014 Additions to be leased to the Tenant in consideration of payments of Series VI, 2014 Supplemental Basic Rent, Series VI, 2014 Supplemental Additional Rent and other charges provided for therein; and

WHEREAS, the Series VI, 2014 Bonds shall be equally and ratably secured and on a parity with the Outstanding Bonds and any Additional Bonds (collectively referred to hereinafter as the "Bonds") subject to any partial redemption or release of pledged property permitted by the Lease or Indenture;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS AS FOLLOWS:

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Indenture and Lease.

Section 2. Authority to Cause the Series VI, 2014 Additions to be Constructed, Installed and Equipped. The governing body of the Issuer hereby declares that the Series VI, 2014 Additions, if in being, would promote the welfare of the City of Wichita, Kansas, and the Issuer is hereby authorized to cause the Series VI, 2014 Additions to be constructed, installed and equipped all in the manner and as more particularly described in the Twenty-Sixth Supplemental Indenture and in the Twenty-Sixth Supplemental Lease hereinafter authorized.

Section 3. Authorization of and Security for the Series VI, 2014 Bonds. There is hereby authorized and directed to be issued a series of the Issuer's taxable industrial revenue bonds for the purpose of installing the improvements to certain existing aviation manufacturing and flight testing facilities and additions, as well as acquiring certain machinery and equipment to the existing facilities located in the City of Wichita, Kansas, such series of such taxable industrial revenue bonds to be designated "City of Wichita, Kansas, Taxable Industrial Revenue Bonds, Series VI, 2014 (Learjet Inc.)." The Series VI, 2014 Bonds shall be dated and bear interest, shall be in an aggregate principal amount, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Indenture. The Series VI, 2014 Bonds shall be equally and ratably secured and on a parity with the Outstanding Bonds and any Additional Bonds, subject to any partial redemption or release of pledged property permitted by the Lease or Indenture. The Series VI, 2014 Bonds shall be special limited obligations of the Issuer payable solely from the revenues derived by the Issuer pursuant to the Lease, or otherwise in connection with the Project. The Series VI, 2014 Bonds shall not be general obligations of or constitute a pledge of the faith and credit of the Issuer within the meaning of any constitutional or statutory provision and shall not be payable in any manner from tax revenues. The Series VI, 2014 Bonds shall be secured under the provisions of the Indenture and are authorized hereby.

Section 4. Authorization of Twenty-Sixth Supplemental Indenture. The Issuer is hereby authorized to enter into the Twenty-Sixth Supplemental Trust Indenture under which the Issuer shall pledge and assign to the Trustee, for the benefit of the holders of the Bonds, the Trust Estate referenced herein, all upon the terms and conditions set forth in the Indenture.

Section 5. Lease of the Series VI, 2014 Additions. The Issuer shall cause the Series VI, 2014 Additions to be leased by the Issuer to the Tenant pursuant to and in accordance with the provisions of the Twenty-Sixth Supplemental Lease.

Section 6. Authorization of Bond Purchase Agreement. The Series VI, 2014 Bonds shall be sold and delivered to Learjet Inc., upon the terms and subject to the provisions of the Bond Purchase Agreement herein authorized (the "Bond Purchase Agreement"), by and between the Issuer and Learjet Inc., as purchaser.

Section 7. Approval of Guaranty Agreement. The form of Guaranty Agreement pursuant to which the Tenant guarantees to the Trustee, for the benefit of the Owners of the Series VI, 2014 Bonds, the full and prompt payment of the principal of, redemption premium, if any, and interest on the Series VI, 2014 Bonds, is hereby approved.

Section 8. Authority To Correct Errors, Etc. The Mayor or member of the Issuer's governing body authorized to exercise the powers and duties of the Mayor in the Mayor's absence, the City Clerk and any Deputy City Clerk are hereby authorized and directed to make any alterations, changes or additions in the instruments herein approved, authorized and confirmed which may be necessary to correct errors or omissions therein or to conform the same to the other provisions of said instruments or to the provisions of this Ordinance.

Section 9. Execution of Series VI, 2014 Bonds and Agreements. The Mayor of the Issuer is hereby authorized and directed to execute the Series VI, 2014 Bonds and deliver the same to the Trustee for authentication for and on behalf of and as the act and deed of the Issuer in the manner provided in the Indenture. The Mayor or Vice Mayor is hereby further authorized and directed to execute and deliver the Twenty-Sixth Supplemental Indenture, the Twenty-Sixth Supplemental Lease and the Bond Purchase Agreement for and on behalf of and as the act and deed of the Issuer with such minor corrections or

amendments thereto as the Mayor or Vice Mayor shall approve (which approval shall be evidenced by his execution thereof) and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance. The City Clerk and any Deputy City Clerk of the Issuer are hereby authorized and directed to attest the execution of the Series VI, 2014 Bonds, the Twenty-Sixth Supplemental Indenture, the Twenty-Sixth Supplemental Lease and the Bond Purchase Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 10. Pledge of the Project. The Issuer hereby pledges the Series VI, 2014 Additions and the net revenues therefrom to the payment of the Outstanding Bonds in accordance with K.S.A. 12-1744. The lien created by such pledge shall be discharged when all of the Series VI, 2014 Bonds shall be deemed to have been paid within the meaning of the Indenture, as the same may be amended.

Section 11. Further Authority. The Issuer shall, and the officers, agents and employees of the Issuer are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the Issuer with respect to the Series VI, 2014 Bonds, the Twenty-Sixth Supplemental Indenture, the Twenty-Sixth Supplemental Lease and the Bond Purchase Agreement all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 13. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City of Wichita, Kansas and publication once in the official newspaper of the Issuer.

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PASSED by the Governing Body of the City of Wichita, Kansas, on December 9, 2014.

CITY OF WICHITA, KANSAS

(Seal)

By _____
Carl Brewer, Mayor

Attest:

By _____
Karen Sublett, City Clerk

Approved as to form:

By _____
Sharon L. Dickgrafe, Interim City Attorney &
Director of Law